

STATE OF MONTANA TERM CONTRACT

Department of Administration
State Procurement Bureau
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PO Box 200135
Helena, MT 59620-0135
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<http://www.mt.gov/doa/gsd>

T.C. #: SPB05-761G
Title: STATEWIDE PURCHASING CARD PROGRAM
This is an exclusive contract.

CONTRACT TERM	FROM	November 1, 2008	CONTRACT STATUS	NEW ()
	TO	May 1, 2014		RENEW (X)
VENDOR ADDRESS	U.S. BANK NATIONAL ASSOCIATION ND 200 SOUTH 6TH STREET EP-MN-L26C MINNEAPOLIS, MN 55402		ORDER ADDRESS	SAME
ATTN:	Paul Erickson		ATTN:	SAME
PHONE:	612-973-1335		PHONE:	SAME
FAX:	612-973-3705		FAX:	SAME
E-MAIL:	PAUL.ERICKSON@USBANK.COM		E-MAIL:	SAME

PRICES: PER CONTRACT AMENDMENT

DELIVERY: PER CONTRACT AMENDMENT

F.O.B.: PER CONTRACT AMENDMENT

TERMS: PER CONTRACT AMENDMENT

REMARKS: CONTRACT RENEWED FOR FIVE YEARS WITH A ONE (1) YEAR RENEWAL OPTION.

SPB#05-761G

Devin Garrity, CONTRACTS OFFICER

DATE: December 29, 2008

AUTHORIZED SIGNATURE: *Jill M. Lotter*

Jill M. Lotter, Contracts Officer/Acting Program Administrator

STATEWIDE PURCHASING CARD PROGRAM

AMENDMENT NO. 2

This Amendment No. 2 ("**Amendment No. 2**") is entered into, by and between the State of Montana, Department of Administration, State Procurement Bureau (the "**State**") and U.S. Bank National Association ND ("**Contractor**"), to amend the Statewide Purchasing Card Program Contract, effective March 21, 2005 (the "**Contract**") between the State and Contractor. This Amendment No. 2 shall become effective as of November 1, 2008 ("**Effective Date**") and is in addition to any previous and like amendment(s) with Customer.

Whereas, the Contract provides that the Contract may be amended from time to time by a written instrument signed by the parties; and

Whereas, all of the parties wish to amend the Contract as hereinafter set forth herein.

Now, therefore, in consideration of the promises, the mutual covenants set forth in the Contract and this Amendment No. 2, and other good and valuable consideration, the sufficiency and adequacy of which is acknowledged, the State and the Contractor agree to amend the Contract as follows:

1. Capitalized terms used in this Amendment No. 2 and not otherwise defined in this Amendment No. 2 are used with the same respective meanings attributed thereto in the Contract.

2. Section 3. EFFECTIVE DATE, DURATION, AND RENEWAL of the Contract is hereby deleted in its entirety and replaced with the following:

3. **EFFECTIVE DATE AND DURATION**

This Contract shall remain in full force and effect for a term of sixty-five (65) months from the Effective Date of this Amendment No. 2, and shall remain effective until May 1, 2014 (the "**Expiration Date**") unless terminated earlier in accordance with the terms of the Contract, and may be renewed at the option of Customer and U.S. Bank for one (1) additional one (1)-year term. All Purchasing Cards, CPAs and related accounts shall be deemed canceled effective upon termination of this Contract.

3. The following is hereby added as new Section 30 to the Contract:

30. USA PATRIOT ACT

In order to comply with the requirements of the USA PATRIOT Act, the Contractor may require the State, its Companies and/or Cardholders to provide their legal entity name, street address, taxpayer identification number and other information that will allow the Contractor to identify each Customer, its Companies and/or Cardholders prior to establishing an Account under or in connection with the Contract. The Contractor reserves the right to require that Customer, its Companies and/or Cardholders promptly provide to the Contractor sufficient identification documents upon request and in connection with USA Patriot Act compliance.

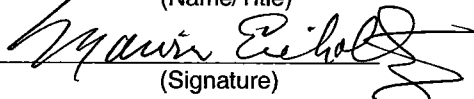
4. Except to the extent that the Contract is expressly or implicitly modified by this Amendment No. 2, all terms and conditions of the Contract remain in full force and effect.

In witness whereof, the parties hereto have, by their duly authorized representatives, executed this Amendment No. 2.

STATE OF MONTANA
DEPARTMENT OF ADMINISTRATION
STATE PROCUREMENT BUREAU

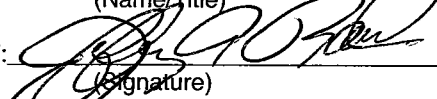
U.S. BANK NATIONAL ASSOCIATION ND

BY: MARVIN EICHOLTZ, ADM
(Name/Title)

BY: 
(Signature)

DATE: 12/22/08

BY: Jeffrey A. Rankin, Senior Vice President
(Name/Title)

BY: 
(Signature)

DATE: 12-17-08

Approved as to Legal Content:

Michael P. Mann 12/2/08

Chief Counsel (Date)
Department of Administration

Approved as to Form:

Jin M. Kotter 12/3/08

Procurement Officer (Date)
State Procurement Bureau

STATEWIDE PURCHASING CARD PROGRAM
PERFORMANCE VOLUME REBATE ADDENDUM

This Performance Volume Rebate Addendum ("**Rebate Addendum**") is entered into, by and between U.S. Bank National Association ND ("**Contractor**") and the State of Montana, Department of Administration, State Procurement Bureau (the "**State**") and constitutes an addendum to and modification of the Statewide Purchasing Card Program Contract, originally effective March 21, 2005 (the "**Contract**") between the State and the Contractor. This Rebate Addendum shall become effective as of April 1, 2009 ("**Effective Date**") and supersedes any previous and like addenda with the State.

The Contractor shall extend to the State the following revenue sharing opportunities:

1. a) The Contractor will pay to the State a portion of its aggregate Net Annual Charge Volume through a rebate ("**Performance Rebate**"). The Performance Rebate will be based on the Client Held Days Payment Performance for all Accounts for each Addendum Year. The Performance Rebate calculation will be made in accordance with the Table A, below.

Table A	
Client Held Days	Performance Rebate Percentage
14	0.0000%
13	0.0100%
12	0.0200%
11	0.0300%
10	0.0400%
9	0.0500%
8	0.0600%
7	0.0700%
6	0.0800%
5	0.0900%
4	0.1000%
3	0.1100%
2	0.1200%
1	0.1300%
0	0.1400%

b) The Contractor will pay to the State a portion of its aggregate Net Annual Charge Volume through a rebate ("**Volume Rebate**"). The Volume Rebate will be based on the Net Annual Charge Volume. The Volume Rebate calculation will be made in accordance with Schedule A, attached hereto and made a part hereof.

c) No Revenue Share calculation shall be made unless a) the Client Held Days Payment Performance for all Account Statements is equal to or less than fourteen (14) Client Held Days; and b) the Net Annual Charge Volume is equal to or greater than thirty million U.S. Dollars (\$30,000,000.00). Any Revenue Share payment made pursuant to this Rebate Addendum will be net of accumulated Charge-offs and/or Re-sign Payment Penalties resulting from participation in the Contractor or U.S. Bancorp Card Services, Inc. programs regardless of whether the underlying agreement between the parties is valid or has been terminated. The first Revenue Share payment, if any, shall be made within ninety (90) days after the end of the Addendum Year. Subsequent calculations and payments, if any, shall be made in a similar fashion on each twelve (12) month anniversary of the first calculation. If any Revenue Share payment date falls on a non-business day, Revenue Share payments due shall be made on the next business day.

d) The Contractor will calculate the Net Annual Charge Volume for the Addendum Year to find the Volume Rebate Percentage on Schedule A for the Volume Rebate. The Contractor will calculate the Client Held Days Payment Performance for the same Addendum Year to find the Performance Rebate Percentage on Table A for the Performance Rebate. Annually, the Contractor will multiply the Total Rebate Percentage by the Net Annual Charge Volume for that same Addendum Year. The result will be the gross Revenue Share. The Contractor will subtract any Charge-offs and/or Re-sign Payment Penalties, as specified in the Re-sign Payment Agreement dated November 1, 2008 (the "**Re-sign Payment Penalties**"), that have not been subtracted at any time during any of the past Addendum Year(s) from the gross Revenue Share. The result will be the net Revenue Share. Any Charge-offs



and/or Re-sign Payment Penalties in excess of the net Revenue Share from one (1) Addendum Year will be subtracted from one (1) or more of the following Addendum Years. Upon termination of the Contract, if the net Revenue Share is a negative dollar amount due to Charge-offs and/or Re-sign Payment Penalties, the Contractor may request, and the State agrees to reimburse, the Contractor up to the dollar amount previously paid by the Contractor to the State.

2. Capitalized terms used in this Rebate Addendum and not otherwise defined in this Rebate Addendum are used with the same respective meanings attributed thereto in the Contract. **"Account"** means any account number to which Charges and payments may be posted. **"Addendum Year"** means a twelve (12) month period beginning with the first such period following the Effective Date of this Rebate Addendum. **"Charge-off"** means any amount due and owing to the Contractor or its Affiliates by the State, that remains unpaid for one hundred fifty (150) days after the date that it was first billed. **"Client Held Days"** means the actual number of days from billing cycle date to the date the Contractor applies payment (annual per statement cycle average). **"Client Held Days Payment Performance"** means the average speed of repayment of Charges made for each Addendum Year. **"Net Annual Charge Volume"** means all charges set forth on the statements furnished for all Accounts of the State, less fees, cash advances, fraudulent charges, chargebacks, charges qualifying for large transaction interchange rates and amounts Charged-off by the Contractor with respect to such Accounts as uncollectible for each twelve (12) month period beginning with the first such period following the Effective Date of this Rebate Addendum. **"Revenue Share"** is the combination of the Performance Rebate and Volume Rebate. **"Total Rebate Percentage"** means the sum total of the Performance Rebate Percentage and the Volume Rebate Percentage.
3. The Contractor predicates the pricing contained herein on the industry business model used to regulate interchange rates. Should a material change in the industry business model occur either in the 1) interchange rates (from those rates in effect as of the Effective Date of this Rebate Addendum) or 2) regulation of such interchange rates, the Contractor shall have the right to negotiate a new offering with the State. If the parties cannot reach an agreement on the new offering, either party may terminate the Contract upon sixty (60) days prior written notice.
4. If the Contract is terminated prior to the end of the Addendum Year by the State without cause or by the Contractor with cause, in addition to any other remedies available to the Contractor, this Revenue Share opportunity shall immediately terminate and no Revenue Share shall be paid to the State.
5. Except to the extent that the Contract is expressly or implicitly modified by this Rebate Addendum, all terms and conditions of the Contract remain in full force and effect.

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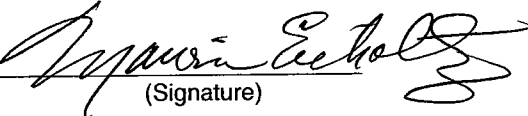
In witness whereof, the parties hereto have, by their duly authorized representatives, executed this Rebate Addendum.

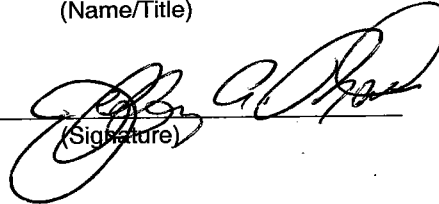
STATE OF MONTANA
DEPARTMENT OF ADMINISTRATION
STATE PROCUREMENT BUREAU

U.S. BANK NATIONAL ASSOCIATION ND

BY: MARVIN EICHOLTZ, ADM
(Name/Title)

BY: Jeffrey A. Rankin, Senior Vice President
(Name/Title)

BY: 
(Signature)

BY: 
(Signature)

DATE: 12/22/08

DATE: 12-17-08

Approved as to Legal Content:

Mike Marum 12/03/08
Chief Counsel (Date)
Department of Administration

Approved as to Form:

Jim M. Hotta 12/03/08
Procurement Officer (Date)
State Procurement Bureau



STATEWIDE PURCHASING CARD PROGRAM
PERFORMANCE VOLUME REBATE ADDENDUM
SCHEDULE A

Net Annual Charge Volume	Volume Rebate Percentage
\$30,000,000.00	1.1930%
\$32,500,000.00	1.2060%
\$35,000,000.00	1.2150%
\$37,500,000.00	1.2220%
\$40,000,000.00	1.2300%
\$42,500,000.00	1.2370%
\$45,000,000.00	1.2430%
\$47,500,000.00	1.2500%
\$50,000,000.00	1.2540%
\$52,500,000.00	1.2580%
\$55,000,000.00	1.2630%
\$57,500,000.00	1.2670%
\$60,000,000.00	1.2700%
\$62,500,000.00	1.2740%
\$65,000,000.00	1.2790%
\$67,500,000.00	1.2830%
\$70,000,000.00	1.2870%
\$72,500,000.00	1.2910%
\$75,000,000.00	1.2950%
\$80,000,000.00	1.2970%
\$85,000,000.00	1.2980%
\$90,000,000.00	1.2990%
\$95,000,000.00	1.3000%
\$100,000,000.00	1.3010%
\$105,000,000.00	1.3020%
\$110,000,000.00	1.3030%
\$115,000,000.00	1.3040%
\$120,000,000.00	1.3050%
\$125,000,000.00	1.3055%
\$130,000,000.00	1.3060%
\$135,000,000.00	1.3065%
\$140,000,000.00	1.3070%
\$145,000,000.00	1.3076%
\$150,000,000.00	1.3082%

